



City of Seattle

Edward B. Murray, Mayor

Human Services Department

Catherine L. Lester, Interim Director

MEMORANDUM

Date: April 25, 2014

To: Housing Affordability, Human Services and Economic Resiliency Committee
Councilmember Sally Clark, Chair
Councilmember Tom Rasmussen
Councilmember Kshama Sawant

From: Catherine Lester, Interim Director

SUBJECT: Briefing on 2014 – 2017 Consolidated Plan

The following briefing describes proposed legislation adopting the 2014 – 2017 Consolidated Plan for Housing and Community Development and amending the 2014 Adopted Budget to make it consistent with actual grant award amounts. The Consolidated Plan is a document required by the United States Department of Housing and Urban Development (HUD) in advance of the City's receipt of funds from four of its programs:

- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnership (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

The Plan informs HUD about the City's strategies for using these funds over the four-year period covered by the Plan and provides them with an allocation plan for the current year's funds. The formatting of this plan document is quite different from prior plans. This new formatting is not controlled by City staff; the document attached to the legislation as Attachment 1 is the downloaded version of the Plan as generated by HUD's internet-based Consolidated Plan tool, which we are required to use.

The allocations proposed for program year 2014 in the Plan are for the most part consistent with the 2014 Adopted Budget. The Adopted Budget was developed using estimates for the amounts expected from HUD for 2014. We have subsequently received the actual award amounts; the legislation before you amends the Adopted Budget to provide expenditure authority consistent with the actual award amounts. In all four cases the actual awards were more than the estimates.

The CDBG program is the most flexible of the four funds. The 2014 – 2017 Plan proposes to continue using CDBG to fund activities to provide for services to homeless persons and families; develop and retain affordable housing; provide for economic development opportunities for neighborhoods and individual businesses; and improve neighborhood parks. HOME funds are also dedicated to developing and

preserving affordable housing, including repairs to owner-occupied single family homes. ESG funds are used by the Human Services Department to support shelter, outreach, and homelessness prevention programs. HOPWA funds are used to provide housing and case management for persons with AIDS and their families.

Overall the actual allocations provided the City with \$894,057 more in resources than anticipated. (Total funding from these four programs amounts to \$14.5 million.) The Plan proposes to use the additional funds in the following manner:

CDBG: \$551,822

- Provide LIHI Urban Rest Stop with \$74,367 of CDBG and \$23,918 of ESG. These moves, coupled with a first quarter supplemental General Fund request of \$300,000, will ensure the Urban Rest Stop is made whole from the decrease in federal support that the program incurred.
- Provide \$63,000 to support needed renovations at the Rainier Beach High School Health Clinic, as requested by Public Health – Seattle – King County.
- Increase the amount of CDBG in the DESC Connections contract by \$132,537 and decrease the General Fund in this contract by the same amount. This move frees up General Fund for use elsewhere to meet emerging needs.
- Place \$281,918 of CDBG in a contingency to meet future eligible needs.

ESG: \$104,364

- Provide Urban Rest Stop with \$23,918, as described above.
- Increase ESG administration expenditure by \$43,000 to ensure the grant pays for its related costs of administration.
- Place \$37,446 into a contingency account.

HOPWA: \$73,116

- HOPWA funds are competitively bid at a later time in the year, so the increase will be allocated at that time.

HOME: \$164,755

- Increase the money available for affordable rental housing preservation and development by the entire amount, \$164,755.

Two additional Consolidated Plan-related changes are also included in the legislation. First, the \$400,000 of CDBG funds that were earmarked for the Career Bridge program implementation are to be “swapped” with \$400,000 of General Fund that was earmarked in the 2014 Adopted Budget to help Compass Housing Alliance acquire property for a new day center and overnight shelter facility. This swap provides a more effective match between funding sources and the funded activities.

The second additional item is the reprogramming of \$266,893 of HOME revenues from program year 2012. The funds are moved from the homebuyer assistance activity to the rental housing preservation and development activity. This reprogramming is necessary because HOME funds have strict time limits on their commitment and expenditure. The homebuyer funds are not yet under contract with specific buyers and are thus at risk of recapture by HUD. The funds will be transferred to two eligible multifamily projects that will be under contract by the end of 2014.

Attached to this memorandum is a table (Attachment One) of all the projects to be funded with the Consolidated Plan funds in 2014. Attachment Two contains charts of the amount of allocations from each of the Consolidated Plan programs for the past ten years. While the more discretionary and flexible

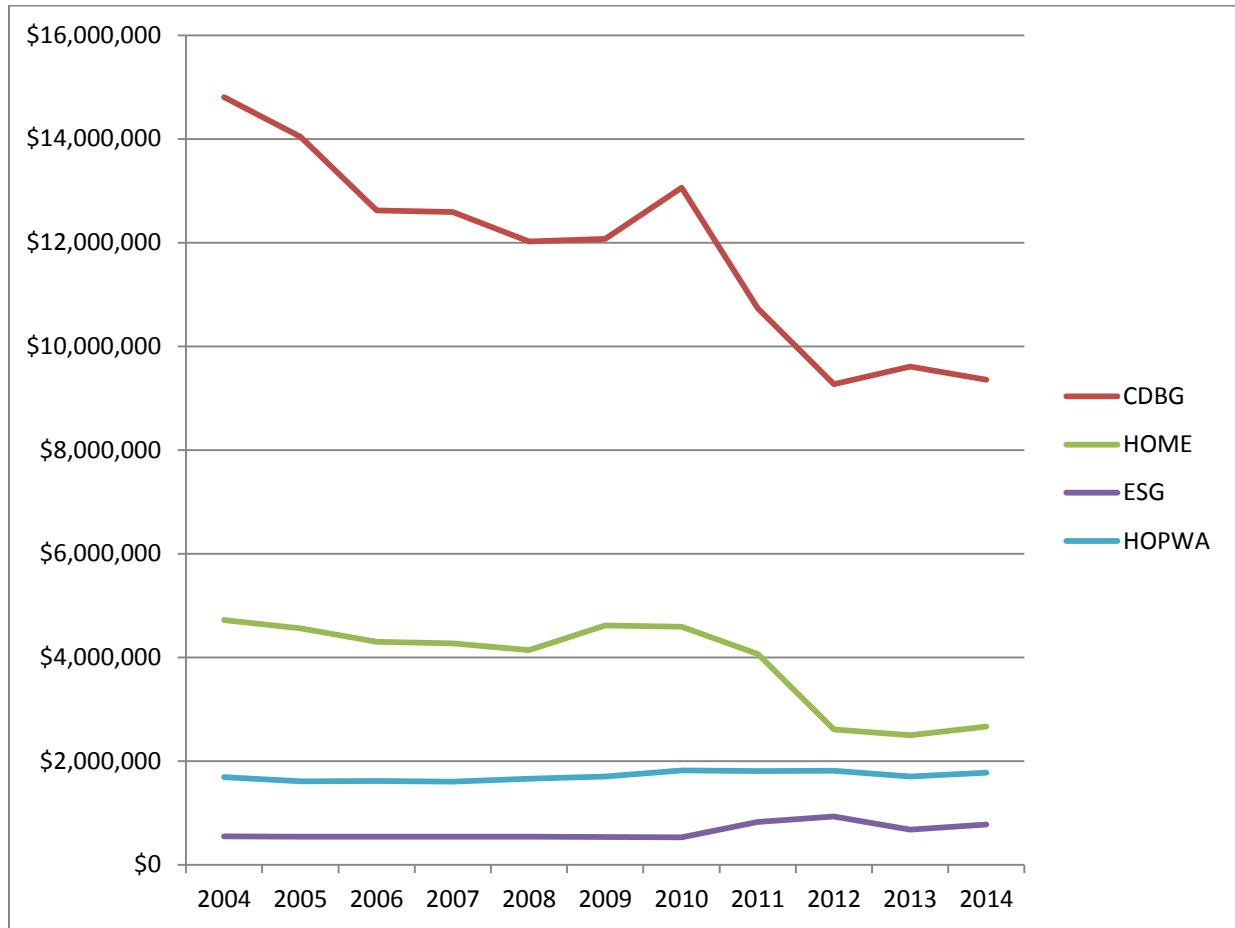
Community Development Block Grant funds have decreased by almost 40% over this time period, the Emergency Solutions Grant Program (formerly the Emergency Shelter Grant Program) has received more funding. However, the new Emergency Solutions Grant Program limits the amount of funds that can be used for emergency shelter, and targets more money for homelessness prevention and rapid rehousing. The City's historical use of ESG funds has been to support emergency shelters, so HUD's reprioritizing of these funds is forcing us to alter funding streams for certain programs. Meanwhile, our ability to address various locally-defined needs with CDBG funds has decreased.

Attachment One: 2014 Allocations

		CDBG	HOME	HOPWA	ESG
Office of Housing					
	Home Repair & Homebuyer staffing	\$260,202			
	Home Repair Program	\$230,000			
	Homebuyer Program	\$40,000	\$990,015		
	Homebuyer Counseling	\$216,989			
	MF Housing Staffing	\$79,939			
	Rental Housing Preservation & Development	\$811,494	\$2,426,698		
	Program development staffing	\$101,139			
	HOME Administration		\$250,218		
Human Services Department					
	Human Services Planning	\$130,531			
	CDBG Administration	\$920,543			
	Minor Home Repair	\$449,917			
	YouthCare Shelter				\$32,053
	Career Bridge	\$0			
	DESC Connections	\$800,763			
	ESG Administration				\$69,425
	Noel House	\$466,786			
	St. Martin des Porres	\$478,730			
	DESC Main Shelter	\$1,173,052			\$348,568
	YWCA Angeline's Day Center				\$191,440
	YWCA Seattle Emergency Housing	\$465,653			
	Neighborhood House Homelessness Prevention				\$170,345
	HOPWA RFI			1,779,541	
	Solid Ground Housing Stability Case Management				\$160,000
	LIHI Urban Rest Stop	\$74,367			\$23,918
	Encampment Shelter (901 Rainier)	\$400,000			
	Rainier Beach HS Health Clinic	\$63,000			
Office of Economic Development					
	Neighborhood Business District Projects	\$554,675			
	Neighborhood Business District Planning	\$20,000			
	Neighborhood Business District staffing	\$92,000			
	Chinatown / ID Projects	\$320,000			
	Microenterprise Technical Assistance	\$167,000			
	Microenterprise Lending	\$375,000			
Parks and Recreation					
	Conservation Corps	\$808,000			
	ADA Upgrades	\$400,000			
Contingency		\$281,918			\$37,446
Program Year 2014 Totals		\$10,181,698	\$3,666,931	\$1,779,541	\$1,033,195
Note: funding totals include award from HUD plus prior year carryover and program income					

Attachment Two:
Grant Histories 2004 - 2014

Chart One: Combined View



The more flexible CDBG funds, which can be used for a variety of locally-defined activities to benefit low- and moderate-income persons, has declined almost 40% in the last decade

Attachment Two:
Grant Histories 2004 - 2014

Chart Two: CDBG

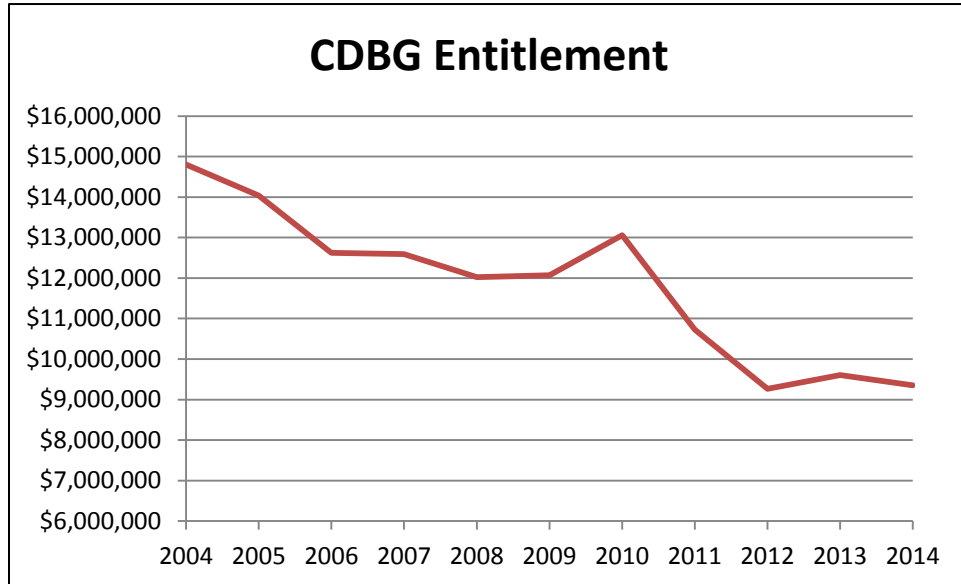
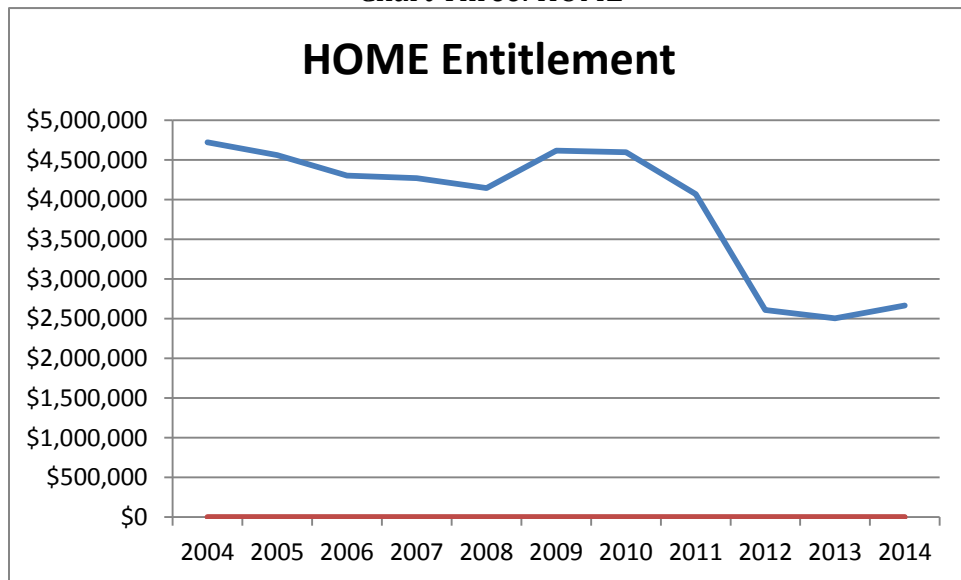


Chart Three: HOME



Attachment Two:
Grant Histories 2004 - 2014

Chart Four: ESG

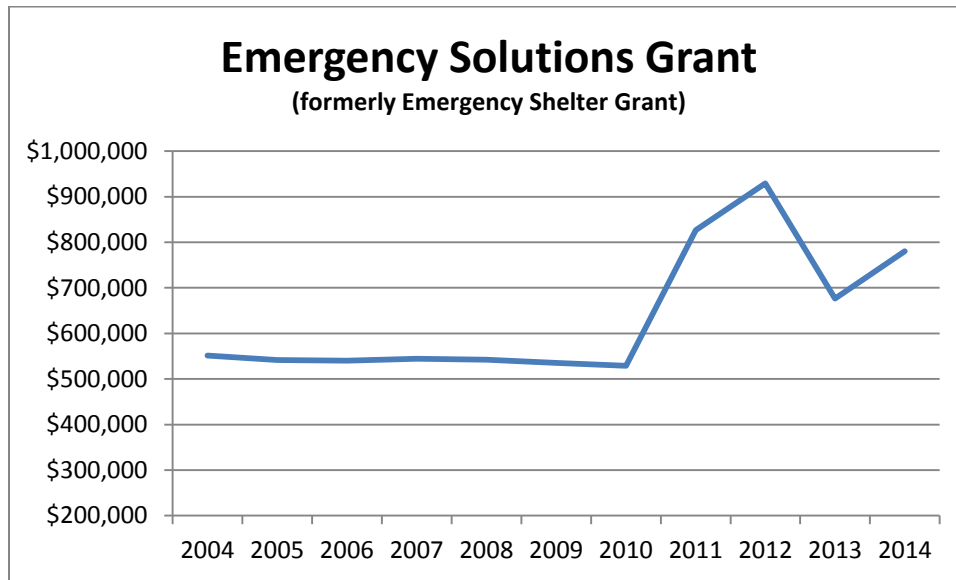


Chart Five: HOPWA

